

Exhibit B

September 24 Proposal



AHG Counterproposal

September 24, 2024

Illust. Term Sheet – Framework of Out of Court Transaction

1 9/15 Ducera Construct¹

2 9/24 2L/HoldCo Response

American Freight ("AF")	<ul style="list-style-type: none"> ■ Silent 	<ul style="list-style-type: none"> ■ AF to be separated and wound-down / sold <ul style="list-style-type: none"> ▶ 100% of net proceeds from sale of ABL priority collateral to repay the ABL ▶ 100% of net proceeds from sale of TL priority collateral to repay the 1L TL ■ In parallel with winddown planning and implementation, Company to market stores / leases to potential going-concern buyers (whole business and individual stores or packages of stores)
New Money	<ul style="list-style-type: none"> ■ ~\$148.8mm new money by 2L/HoldCo lenders. Potential to upsize if capital need increases, subject to diligence and business plan <ul style="list-style-type: none"> ▶ \$125.0mm new money liquidity funded as additional 2L debt ▶ ~\$23.8mm capitalized for next HoldCo (~\$18.9mm) and 2L (~\$4.9mm) interest payments as additional 2L debt ▶ 2.0x MOIC provided on all new money, capitalized interest, and exchange debt provided as 2L 	<ul style="list-style-type: none"> ■ ~\$123.8mm new money by 2L/HoldCo lenders <ul style="list-style-type: none"> ▶ \$100mm new first-lien second-out term loan ("FLSO") <ul style="list-style-type: none"> • Maturity: 3 months outside of FLFO (defined below) • Rate/Amort: S+775 PIK; no amort • Maintenance Covenants: None • Use of Proceeds: Transaction fees/expenses and balance sheet liquidity ▶ ~\$23.8mm capitalized for next HoldCo (~\$18.9mm) and 2L (~\$4.9mm) interest payments as additional 2L TL (defined below)
ABL Treatment	<ul style="list-style-type: none"> ■ Consent to Transaction and New 1L OpCo debt at PSP and VSI ■ Maintains senior position as ABL, maintains security package, and maintains priority in capital structure ■ Maturity to be extended to 3 months inside of the extended FRG 1L debt 	<ul style="list-style-type: none"> ■ FRG ABL extended on market terms <ul style="list-style-type: none"> ▶ <u>Maturity</u>: Extended to 3 months inside of FLFO ▶ <u>Rate</u>: S+200 (unchanged) ▶ <u>Maintenance Covenants</u>: Revert to covenant package prior to amendment: <ul style="list-style-type: none"> • Springing 1.0x FCCR test, subject to agreement on EBITDA and testing trigger • Elimination of excess availability covenant ▶ <u>Downsize Facility</u>: Commitments downsized to reflect reduced borrowing base following repayment from AF winddown; covenant thresholds to be similarly reduced to reflect downsized facility
FRG 1L Treatment	<ul style="list-style-type: none"> ■ Exchange \$800.0mm of existing FRG 1L into New 1L OpCo debt at PSP and VSI <ul style="list-style-type: none"> ▶ Subject to acceptable terms and conditions of new debt and stub debt, including with respect to potential cash flow sweep. 1.00% amortization after 12 months ■ Extension of maturity on remaining FRG 1L debt (~\$298.1mm) to 10/31/2031² ■ Provide remaining FRG 1L debt with potential cash flow sweep that accelerates paydown and reduces effective term/duration, subject to business plan and liquidity review 	<ul style="list-style-type: none"> ■ FRG 1L TL exchanged at par into: <ul style="list-style-type: none"> ▶ \$650mm first lien first out term loan ("FLFO") <ul style="list-style-type: none"> • <u>Maturity</u>: 5 years from transaction close (~3.5 year extension) • <u>Rate/Amort</u>: S+475 cash (unchanged); 1.0% amortization • <u>Maintenance Covenant</u>: TBD covenant and level with testing to commence quarter ended Dec 31, 2026 • <u>ECF Sweep</u>: TBD sweep commencing quarter ended Dec 31, 2026 ▶ \$446mm FLFO <ul style="list-style-type: none"> • <u>Maturity</u>: 3 months outside of FLFO • <u>Rate/Amort</u>: S+475 cash + 200 PIK (total of S+675); no amort • <u>Maintenance Covenants</u>: None ■ FRG 1L TL Lenders to also receive their pro rata share of ~\$36.1mm of 2L TL with 2.0x MOIC (~\$72.2mm) and other terms outlined on following page

Illust. Term Sheet – Framework of Out of Court Transaction (Cont'd)

	1 9/15 Ducera Construct ¹	2 9/24 2L/HoldCo Response
FRG 2L/HoldCo Treatment	<ul style="list-style-type: none"> 2L debt to remain in place as 2L debt <ul style="list-style-type: none"> Maturity 3 months outside of extended 1L OpCo debt² Modify interest rate to S+8.00% cash or S+10.00% PIK, with toggle at FRG's election 2L debt to receive a 2.0x min MOIC on balances pro forma for the Transaction Next cash interest payment (~\$4.9mm) to be provided via upsized 2L debt \$148.8mm total increase in 2L debt balance across (i) \$125.0mm new money, (ii) ~\$23.8mm for capitalized interest (HoldCo and 2L), and (iii) ~\$88.7mm exchange of HoldCo debt into 2L <ul style="list-style-type: none"> All 2L debt issuances are pari passu with other 2L debt / existing 2L debt Pro forma 2L debt with full MOIC of ~\$362.5mm, reflecting: <ul style="list-style-type: none"> \$125.0mm current balance ~\$23.8mm for 2L and HoldCo interest \$125.0mm new money liquidity funded as additional 2L debt ~\$88.7mm HoldCo debt exchange Subtotal: ~\$362.5mm 2.0x MOIC: ~\$725.0mm 	<ul style="list-style-type: none"> FRG 2L/HoldCo debt exchanged into: <ul style="list-style-type: none"> \$325mm in FRG second lien debt ("2L TL") <ul style="list-style-type: none"> Maturity: 6 months outside of FLFO Rate: S+1,000 PIK Amort: No amortization Min MOIC: 2.0x (i.e., \$650mm) TBD% of common equity Pro forma 2L TL with full MOIC of ~\$361.1mm, reflecting: <ul style="list-style-type: none"> \$125.0mm current balance ~\$23.8mm for 2L and HoldCo interest ~\$36.1mm to FRG 1L TL Lenders (10% of full amount) ~\$176.2mm HoldCo debt exchange Subtotal: ~\$361.1mm 2.0x MOIC: ~\$722.2mm
Equity	<ul style="list-style-type: none"> Existing equity to receive remaining TBD percentage of common equity, in addition to TBD warrants 	<ul style="list-style-type: none"> TBD
Conn's Lease Rejection Claims	<ul style="list-style-type: none"> Conn's lease guarantee treatment to be determined prior to Transaction 	<ul style="list-style-type: none"> Conn's lease guarantee treatment to be determined prior to Transaction
MIP	<ul style="list-style-type: none"> Pro forma fully diluted equity (post HoldCo conversion and warrants) subject to dilution from a TBD management incentive plan. MIP TBD by board, performance/value will be tested relative to 1L attachment point at the time of Transaction 	<ul style="list-style-type: none"> TBD, but performance/value shall be tested relative to FLSO detachment point at the time of the Transaction
Governance	<ul style="list-style-type: none"> Governance TBD, with 2L/HoldCo lenders controlling the board 	<ul style="list-style-type: none"> 2L/HoldCo lenders controlling the board

Illustrative Pro Forma Capitalization

2 9/24 2L/HoldCo Response

(\$ in millions)

PF Capitalization

	Q3'24 Transaction			Cash Interest Rate		PIK Interest Rate		Cash Interest		Maturity		xFY'25E Adj. EBITDA	
	SQ	Adj.	PF	SQ	PF	SQ	PF	SQ	PF	SQ	PF	SQ	PF
Total Consolidated Cash	\$20	\$50	\$70										
\$400mm ABL Facility ¹	\$259	\$ -	\$259	S + 200 ²	S + 200 ²	-	-	\$18	\$18	Mar-26	Jun-29 ³	Maturity dates assume 9/30/24 transaction close	
First-Lien First-Out TL	-	650	650	-	S + 475	-	-	-	61	-	Sep-29 ⁵		
First-Lien Second-Out TL (Exchanged 1L TL)	-	446	446	-	S + 475	-	200	-	42	-	Dec-29 ⁶		
First-Lien Second-Out TL (New Money)	-	100	100	-	-	-	S + 775	-	-	-	Dec-29 ⁶		
Sr. Secured 1L TL	1,096 ⁴	(1,096)	-	S + 475	S + 475	-	-	103	-	Mar-26	Mar-26		
Total FRG 1L Debt	\$1,355		\$1,455					\$121	\$121			7.4x	8.0x
<i>Total FRG 1L Net Debt</i>	<i>\$1,335</i>		<i>\$1,385</i>									<i>7.3x</i>	<i>7.6x</i>
Sr. Secured 2L TL	\$125	~\$236	~\$361	S + 1,000	-	1,000	S + 1,000	\$18	\$ -	Sep-26	Mar-30 ⁷		
Total FRG Debt	\$1,480		\$1,816					\$139	\$121			8.1x	9.9x
<i>Total FRG 1L Net Debt</i>	<i>\$1,460</i>		<i>\$1,746</i>									<i>8.0x</i>	<i>9.6x</i>
Freedom HoldCo Debt	\$515	(\$515)	\$ -	S + 1,000	S + 1,000	1,000	1,000	\$75	\$ -	Mar-26	Mar-26		
Total Consolidated Debt	\$1,995		\$1,816					\$215	\$121			10.9x	9.9x
<i>Total Consolidated Net Debt</i>	<i>\$1,975</i>		<i>\$1,746</i>									<i>10.8x</i>	<i>9.6x</i>
FY'25E Adj. EBITDA (excl. AF)			\$183										

Liquidity

	SQ	Adj.	PF
ABL Availability	\$400	\$ -	\$400
ABL Borrowing Base	331 ⁸	-	331
Lesser of	\$331		\$331
(-) ABL Outstanding	(259)	-	(259)
(-) LCs	(17)	-	(17)
Unused ABL	\$55		\$55
(-) Cash Dominion Threshold ⁹	(41)	-	(41)
ABL Availability	\$14		\$14
(+) Cash	20	50	70
Total Liquidity	\$33		\$83

Consists of (i) \$325mm 2L TL to 2L/HoldCo Lenders (\$125mm existing 2L TL, ~\$24mm deferred HoldCo and 2L interest, and ~\$176mm HoldCo rollup) and (ii) ~\$36.1mm of 2L TL to FRG 1L TL Lenders (10% of full amount)

Cash Sources & Uses

Cash Sources		Cash Uses	
New Money (FLSO)	\$100	Illust. Txn Expenses	\$50
		Cash to Balance Sheet	50
Total Cash Sources	\$100	Total Cash Uses	\$100

Source: Company Materials, FactSet, Markit

Note: 4.668% 3M SOFR as of 9/23/24; illustratively assumes transaction closes on 9/30/24 and AF exit occurs subsequently in Q4'24

1. ABL balance and pre-transaction ending cash as of WE 9/27 as proxy for 9/30 ending balance per 13WCF provided as of 9/19/24; excludes ~\$17mm LCs

2. Plus 10bps of Credit Spread Adjustment

3. 3 months inside of FLFO

4. Illustratively assumes ~\$2mm amortization paid out before transaction

5. 5 years from transaction close

6. 3 months outside of FLFO

7. 6 months outside of FLFO

8. Borrowing base projected for WE 9/27 per 13WCF provided as of 9/19/24

9. 12.5% of borrowing base

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